



# Arizona State Retirement System

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## Fact Sheet

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### **WITHDRAWAL OF CONTRIBUTIONS AND TERMINATION OF MEMBERSHIP**

If you leave ASRS covered employment for a private-sector job, any other employment not covered by the ASRS, or will not be working at all, you can:

- A. **Leave your monies** on account with the ASRS for a future retirement benefit or refund. Your account will continue to accrue interest at a rate of 8 percent per year.
- B. **Retire from ASRS if you are eligible.** You can take a reduced early retirement if you are age 50 and have at least 5 years of service, or you can retire with full benefits if you are 65, are 62 with 10 years of service, or your age and years of service total at least 80. This retirement criteria applies to members who have an original membership date on or before June 30, 2011.
- C. **Take a refund of your account,** with interest. You may withdraw your funds in cash and pay all taxes and penalties. Or, you may roll over your funds to another qualified retirement program. If you have five or more years of service, you may be entitled to all or a portion of employer matching funds, provided your initial membership date is on or before June 30, 2011.

Your refund will include all of your contributions, plus interest. The interest rate applied to account balances is set at 8 percent, the same as the ASRS assumed earnings rate. However, for purposes of withdrawal only, interest of 4 percent is applied to balances after July 1, 2005.

If you became an ASRS member prior to July 1, 2011 and have at least five years of service, your refund may include a percentage of your employer's contributions plus interest:

• 0.00 – 4.99 credited years of service	=	0% of employer contributions
• 5.00 – 5.99 credited years of service	=	25% of employer contributions
• 6.00 – 6.99 credited years of service	=	40% of employer contributions
• 7.00 – 7.99 credited years of service	=	55% of employer contributions
• 8.00 – 8.99 credited years of service	=	70% of employer contributions
• 9.00 – 9.99 credited years of service	=	85% of employer contributions
• 10 or more credited years of service	=	100% of employer contributions

Note: Members who join the ASRS on or after July 1, 2011 do not receive any employer contributions when refunding, unless separation is due to a reduction-in-force termination or position elimination.

Members who leave the ASRS are strongly encouraged to consult a trusted financial planner or tax advisor prior to terminating membership and withdrawing their account balance.

Here are some additional considerations:

If you are terminating employment because of illness or disability, contact us right away for information about your Long Term Disability rights.

If you move to another ASRS employer, your membership will continue with contributions being withheld and service credit being accumulated.

**Before you make your decision to withdraw your funds and terminate membership, keep in mind:**

Upon separation from ASRS employment and withdrawal of your ASRS account balance, members waive any and all rights to ASRS membership benefits.

This includes:

- **Pension** - Once you reach early-retirement or normal-retirement criteria, you will be eligible for a lifetime pension or lump-sum benefit.
- **Long-Term Disability** - If you have applied for or are receiving benefits under the ASRS Long Term Disability program and you withdraw your account balance, you will no longer be eligible to continue receiving LTD payments.
- **Health Insurance after Retirement** -The ASRS offers a health insurance program to retired members. If you withdraw your account balance, you will not be eligible for ASRS health insurance when you reach retirement age. This includes health, dental and vision insurance, and other benefits offered to retirees.
- **Premium Benefit Program** - Retirees may be eligible to receive a monthly Health Insurance Premium Benefit to help offset the cost of retiree health insurance premiums.
- **Permanent Benefit Increases** - Retirees receiving a monthly pension annuity may be eligible to receive a Permanent Benefit Increase. This is an increase to the monthly benefit that is derived from excess earnings.
- **Survivor Benefits** - If you have an account balance with the ASRS and you die before retirement, the account is paid as a death benefit to your beneficiary.

To apply for a refund of your ASRS account, members must complete the online ASRS E-Form, Withdrawal of Account and Termination of Membership. To initiate the process, click the "Refund My Account" link on the ASRS homepage, [www.azasrs.gov](http://www.azasrs.gov)

***Disclaimer:*** The ASRS is governed by complex state and federal laws. This fact sheet is intended to provide general information and does not replace statutory and rule requirements. Arizona Revised Statutes, the Arizona Administrative Code along with the federal code for both the IRS and Social Security Title 218, shall be final authority. For additional information on any of the subjects, including ASRS member education programs, please visit the ASRS website at [www.azasrs.gov](http://www.azasrs.gov) or contact the ASRS.